

Request for Proposal for Financial Audit Service

Options Health and Inclusion Ghana
October, 2022

Request for Proposal for Financial Audit Service

Options Health and Inclusion Ghana LBG is a subsidiary of Options Consultancy Services Limited domiciled in the United Kingdom. Options is currently implementing Ghana Somubi Dwumadie (Ghana Participation Programme) a four-year disability programme in Ghana, with a specific focus on mental health. This programme is funded by UK Aid from the UK government. The programme is run by an Options' led consortium partnership consisting of Basic Needs-Ghana, Kings College London, Sightsavers International and Tropical Health, and focuses on four key areas:

1. Promoting stronger policies and systems that respect the rights of people with disabilities, including people with mental health disabilities
2. Scaling up high quality and accessible mental health services
3. Reducing stigma and discrimination against people with disabilities, including mental health disabilities
4. Generating evidence to inform policy and practice on the effectiveness of disability and mental health programmes and interventions

Services to be Performed

Your proposal is expected to cover the statutory audit of the financial statements for the 17-month period from 13 August 2021, the date of incorporation of the company to 31 December 2022.

Proposal content

To simplify the evaluation process and obtain maximum comparability, Options Health and Inclusion Ghana LBG require that all responses to the RFP be organised in the manner and format described below:

1. Executive Summary

Describe your understanding of the work to be performed, the estimated fees, and your firm's ability to perform the work within the time frame provided.

2. Service Approach and Timeline

Describe how your firm will approach the proposed services, including the use of affiliates or staff from other locations, areas that will receive primary emphasis, and the type of assistance that will be required from Option's staff. Also, discuss if the firm will require access to the Options management system and how data will be shared and managed. Finally, discuss the communication process used by the firm to discuss issues with management and the Board and the expected key stages should be outlined.

3. Professional Experience

Describe how your firm is uniquely positioned to provide this service. This should include an explanation of the firm's philosophy, size, structure, and qualifications for providing services to not-for-profit organisations of similar size and operations.

4. Team Qualifications

Identify the specific partners and managers who will be assigned to this engagement if you are successful in your bid. Provide their bios specifying relevant experience to the type of services requested. Also discuss commitments you make to staff continuity, including your staff turnover experience in the last three years.

5. Fees

Please provide a firm estimate of fees for the services to be provided. It has been Option's practice for management to negotiate a fee for services each year prior to such services being rendered. Given that the time required in the first year will be more substantial than subsequent years, please feel free to include the fees for subsequent years if there is a significant differential in cost from year one as well as provide any guarantees that can be made regarding increases in future years. Additionally, if the pricing may be impacted by the timing of the audit, please provide alternative pricing.

Please submit all proposals by email to: **procurement@ghanasomubi.com** not later than **13 November 2022**.

All proposals shall be submitted latest by close of business Monday 13 November 2022 and be directed to the contact Persons for this RFP:

Timetable

27 October 2022	RFP Issued
13 November 2022	RFP closed
24 November 2022	Evaluation of responses
5 December 2022	Selection of preferred
10 January 2023	Pre-audit meeting

Evaluation of Proposals

The Management of Options will evaluate proposals on a qualitative basis.

While price is an important factor, Options will evaluate proposals on price and the following criteria:

- Prior experience auditing similar organisations
- Qualifications of staff to be assigned to the engagement
- Audit firm's understanding of work to be performed
- References
- Completeness and timeliness of the proposal

Detailed Terms of Reference for the Audit of the Financial Statements for Options Health and Inclusion Ghana LBG

1. Objective of the Statutory Audit

The objective of the audit is to enable the auditors to express a professional opinion on the financial statements and corporate returns for the seventeen (17) month period ending December 2022 and of the funds received and expenditures for the accounting periods ending on those dates as well as an opinion on the Statement of Expenditure, Asset Register and other relevant financial information.

2. Scope

The audit will be carried out in accordance with the International Standards of Auditing (ISA). These standards require that the auditor plans and performs the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit includes assessing the accounting principles used as well as evaluating the overall financial statement presentation.

In complying with ISA on auditing, the auditor is expected to pay particular attention to the following matters, taking into consideration the special consideration for public sector entities.

- a) In planning and performing the audit to reduce audit risk to an acceptably low level, the auditor should consider the risks of material misstatements in the financial statements due to fraud as required by International Standard on Auditing 240: The Auditors responsibilities relating to Fraud in an Audit of Financial Statements
- b) When designing and performing audit procedures and in evaluating and reporting the results thereof, the auditor should recognise that non-compliance by the entity with laws and regulations may materially affect the financial statements as required by international standard on Auditing 250: Consideration of Law and Regulations in an Audit of Financial Statements.
- c) The auditor should communicate audit matters of governance interest arising from the audit of financial statements to those charged with governance of an entity as required by International Standard on Auditing 260: Communication of Audit Matters with those Charged with Governance.
- d) The auditor should communicate appropriately to those charged with governance and management deficiencies in internal control that the auditor has identified in

an audit of financial statements as required by International Standard on Auditing 265: Communicating Deficiencies in Internal Control to Those Charged with Governance and Management.

- e) In order to reduce audit risk to an acceptably low level, the auditor should determine overall responses to assessed risks at the financial statement level and should design and perform further audit procedures to respond to assessed risks at the assertion level as required by International Standard on Auditing 330: The Auditor's Procedures in Response to Assessed Risks.
- f) As part of the audit process, the auditor is expected to obtain written representations from management and, where appropriate, those charged with governance as required by international standard on Auditing 580: Written Representations

2.1. In evidencing compliance with agreed project financing arrangements, the auditor is expected to carry out tests

- a) To determine the extent of accuracy and adequacy of accounting records and internal controls, ascertain the appropriateness of the selection and application of accounting policies and the safeguarding of the assets of the entity.
- b) To determine whether, in all material respects, company funds have been used in conformity with the provisions of the relevant signed project/service level contracts, applicable rules and assumptions underlying the agreed budget, Business case, Log frame and any amendments thereof.
- c) All necessary supporting documents, records, and accounts have been kept in respect of all company activities. Clear linkages should exist between the books of account and the financial reports presented to the parent company, Options Consultancy Services Limited as well as level of disbursement.
- d) Where special accounts have been used, they have been maintained in accordance with the provisions of relevant service level agreements.
- e) The financial statements have been prepared in accordance with International Accounting Standards (IAS) and Generally Accepted Accounting principles (GAAP) and give a true and fair view of the financial position of the company and of its receipts and expenditures for the period ended on that date; the audit of the financial reports/statements should coincide with the period of the Options Consultancy Services Limited financial year.
- f) The auditor should carry out a comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions and ensure safe custody of company financed assets.

- g) To verify the existence and accuracy of written confirmation of information concerning representations made to the auditor in connection with the audit.
- h) Assess the procurement or selection of service providers process provided adequate competition to ensure cost-effectiveness
- i) Assess the adequacy of due diligence of vendors.

3. Financial Statements

3.1. The company financial statements:

- a) A Statement of Receipts and Expenditures.
- b) A Balance Sheet showing accumulated funds, other assets, and liabilities.
- c) A comprehensive list of all assets purchased (asset register), with given dates, values, and conditions of the asset, if any.

3.2. Annex to the financial statements:

As an annex to the financial statements, the audit report should include a reconciliation between the amount shown as 'received from Options Consultancy Services Ltd' and that shown as having been expended by Options Health and Inclusion Ghana LBG. The reconciliation should indicate the method used for disbursement, i.e., special account, direct payment, or reimbursement guarantee methods etc.

4. Audit Opinion

Besides a primary opinion on the financial statements, the audit report on the financial statements should include a separate paragraph each commenting on the special attention paragraph of the items described in the **scope** above, especially, compliance with the signed service level agreement, applicable rules, and assumptions underlying the agreed budget; disbursement procedures and the control environment in which the funds are being managed.

5. Management Letter

In addition to the audit report, the auditors will prepare a 'management letter,' in which they will:

- a) give comments and observations on the accounting records, systems and controls that were examined during the audit.
- b) identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
- c) report on the degree of compliance of each of the financial covenants on the relevant service level agreement and approved budget, and give comments, if any, on internal and external matters affecting such compliance.
- d) communicate matters that have come to their attention during the audit which might have a significant impact on the sustainability of the organisation and
- e) bring to attention any other matters that the auditors consider pertinent.

It is expected that the findings in the management letter should have the elements listed below.

- Criteria
- Condition
- Cause
- Effect
- Management response
- Recommendation(s)

The Audit Report including the financial statements, and the management letter should be received by Options Consultancy Services Limited by 28th February 2023.